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PLANNING FOR THE INDUSTRIAL DEVELOPMENT
OF UNDERDEVELOPED REGIONS (NORTH PATAGONIA)

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of Scientific and Technical Research

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PLANNING FOR THE INDUSTRIAL DEVELOPMENT OF UNDEVELOPED REGIONS (NORTH PATAGONIA)

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SUMMARY

The various theories debated among economists all over the world have given rise to confused thinking in less developed countries where planning has come to be equated with state control. A project and development plan may be initiated by the state in order to guide and promote the most organic and suitable measures for expansion in a particular region without necessarily restricting private initiative and free enterprise. It is the duty of the state to seek the good of the community on whose behalf it acts and, by means of credits, legislation and regulations, helps and encourages development plans and co-operates with private individuals and firms in implementing those plans. Private individuals and firms may also freely undertake other tasks not included in the plans without special inducements because when resources are limited they must be allocated to objectives of greatest utility.

The very isolation of thinly populated countries, which are known to possess natural wealth, but not the sort of markets that are necessary for industrialization, may retard their progress. Mere exploitation of raw materials is not good enough. It is much better for them to convert their raw materials into finished or semi-finished products. This contributes to the well-being of the population and raises living standards. But an indispensable prerequisite is a local market of sufficient size, if industrial installations making final products locally at international prices without sweated labour are to be justified.

To achieve these aims in the given circumstances, an attempt must be made to win foreign markets or negotiate export contracts with other countries such as those now grouping together in Latin America under a special trade treaty, viz. Chile, Uruguay, Brazil, Mexico, Paraguay, Peru and Argentina.

A region such as North Patagonia, or any similar, with development prospects that are not fully known, is justified in sinking money into a planning survey, as this is an investment which in the long run will yield big dividends. If the government or a corporation cannot afford to carry out a survey on its own, once the question of jurisdiction has been settled, an approach should be made to an international organisation to request assistance. The survey should comprise:

- (a) agricultural, mining and industrial resources and sources of energy;
- (b) surveys of domestic and foreign markets;
- (c) human resources - professional staff, technicians and workers with specialized skills;
- (d) internal financial conditions;
- (e) legal and administrative framework for carrying out projects and exploiting resources;
- (f) organs and financing method;
- (g) development time-table;
- (h) other financial, economic and technical factors not considered under the above heads.

Undeveloped countries normally do not have the technical and financial means for full-scale development, but the financing proposals of tendering companies or professional groups of standing and experience in the countries concerned, or abroad, can be a great help. In the particular case of North Patagonia, as can be gathered from what has been said above, these main lines have been followed and the existence of sources of cheap energy, such as gas, oil, hydro-electric schemes, and natural wealth makes it possible to develop this important industrial area to supply various products to other free trade countries of South America. It must be remembered that the price of gas on a preferential tariff basis makes it possible to run electro-chemical industries on low-cost thermo-electric power and many other industries needing low-cost fuel and energy or such raw materials as oil, gas, minerals, livestock products, marine products (fish and algae), garden produce (vegetables, fruits, pulse), forest products, etc. On the other hand, if the right social conditions are created, industries can be set up which will import raw materials such as alumina, phosphate rock, etc. In other words, in addition to local production of iron and steel, aluminium, plastics, fertilizers, Solvay and caustic soda, canned fruit, sugar, paper, wines, cold storage facilities and meat packing plant, textiles, tinned fish, building materials, etc., other productive enterprises needing energy in one form or another can also be introduced. By first making use of cheap sources of gas, the region can be developed right away without waiting for costly hydro-electric power stations which take a long time to build. Thermo-electrical plant will still be needed, even when hydro-electric power stations are in existence, as a reserve against periods of cyclical or sporadic water shortage. This paper was written with reference to the development of North Patagonia and in relation to Latin American trade.